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Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 AID-05
CIAE-00 DODE-00 INR-07 NSAE-00 PA-01 USIA-06
PRS-01 COME-00 EB-07 LAB-04 SIL-01 FRB-03 TRSE-00
XMB-02 OPIC-03 EPG-02 OMB-01 /080 W
----------061453Z 048729 /53
R 060808Z MAY 77
FM AMEMBASSY PORT LOUIS
TO SECSTATE WASHDC 6693
INFO AMEMBASSY VICTORIA

C O N F I D E N T I A L PORT LOUIS 0495

E.O. 11652: GDS
TAGS: PFOR PINT PGOV ECON MP ELAB
SUBJECT: MAURITIUS WEEKLY REVIEW - MAY 6

REF: PORT LOUIS 451

SUMMARY: PORT LOUIS 494 PROVIDES A SUMMARY OF THIS CABLE.
END SUMMARY.

1. THE MAJOR TRADE UNION FEDERATIONS ORGANIZED A RALLY IN PORT LOUIS ON MAY DAY. IT WAS POORLY ATTENDED -- BY A FEW THOUSAND WORKERS ONLY -- BUT WAS SIGNIFICANT IN THAT FEDERATIONS OF DIFFERING POLITICAL TENDENCIES JOINED TOGETHER TO PRESENT A SOLID LABOR FRONT. SPEAKERS CRITICIZED THE GOVERNMENT'S AUSTERITY BUDGET FOR THE COMING FISCAL YEAR AND THE LABOR MINISTER'S PLAN TO ABOLISH THE OBLIGATORY CHECK-OFF DUES COLLECTION SYSTEM. THE MINISTER APPEARS TO HAVE SUCCEEDED IN AROUSING THE TRADE UNION ORGANIZATIONS TO MAKE COMMON CAUSE AGAINST HIM, WHEREAS IN THE PAST COOPERATION AMONG THE RIVAL UNION GROUPS WAS RARE INDEED.

2. LATER IN THE WEEK LEADERS OF THE "COMMON FRONT" OF TRADE UNION FEDERATIONS MET WITH THE PRIME MINISTER AND PRESENTED THEIR
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CASE AGAINST ABOLITION OF THE OBLIGATORY "CHECK-OFF." THE LABOR MINISTER WAS CONSPICUOUS BY HIS ABSENCE FROM THE MEETING. RAMGOOLAM PROMISED TO PRESENT THE TRADE UNION LEADERS' VIEWS TO HIS CABINET.

3. IN ANOTHER LABOR UNION DEVELOPMENT THE GENERAL WORKERS FEDERATION, THE MMM TRADE UNION GROUP, HAS JOINED THE WORLD FED-

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ERATION, OF TRADE UNIONS. A FIVE-PERSON
WFTU DELEGATION WILL VISIT MAURITIUS THIS WEEKEND.

4. FOLLOWING THE MUNICIPAL ELECTIONS THE MMM PARTY CHOSE AS MAYORS OF THE THREE TOWNS WHERE IT WON MAJORITIES ON THE COUNCILS: KADER BHAYAT, PARTY VICE PRESIDENT, IN PORT LOUIS; JEAN CLAUDE DE L'ESTRAC, PARTY ASSISTANT SECRETARY GENERAL, IN BEAU BASSIN; AND DOOSHIUNT JHUBOOLALL IN VACOAS. AS EXPECTED PMSD LEADER GAETAN DUVAL WAS ELECTED MAYOR OF CUREPIPE. THE NEW MAYOR OF QUATRE BORNES WILL BE HURRY BOOLUCK OF THE LABOR PARTY.

5. THE MMM AND ALLIANCE (LABOR-PMSD) CONTINGENTS SITTING IN THE SEVERAL MUNICIPAL COUNCILS HAVE SHOWN A SPIRIT OF COOPERATION DURING THEIR FIRST WORKING SESSIONS. THE LEADER OF THE PMSD GROUP IN BEAU BASSIN, FOR EXAMPLE, PRAISED THE ATTITUDE OF THE MMM MAJORITY ON THAT TOWN'S COUNCIL AFTER THE LATTER APPOINTED ALLIANCE MEMBERS TO VARIOUS COMMITTEES ESTABLISHED BY THE COUNCIL.

6. MMM DEPUTY AMEDEE DARGA (PORT LOUIS 425), FOUND BY A COURT ON MAY 2 TO HAVE DISTURBED PUBLIC ORDER, WAS REQUIRED TO POST BOND OF 2,000 RUPEES AND PLACED ON THREE MONTH'S PROBATION. HE WAS JUDGED TO HAVE THREATENED GAETAN DUVAL AND TWO OTHER PMSD LEADERS DURING THE MUNICIPAL ELECTION CAMPAIGN IN CUREPIPE AND TO HAVE WARNED A POLICE OFFICER THAT HE WOULD TAKE THE LAW INTO HI OWN HANDS. THE PRO-GOVERNMENT PAPERS NATURALLY GAVE THIS STORY BIG HEADLINES.

7. IN THE ASSEMBLY ON MAY 3, JUGNAUTH, LEADER OF THE MMM OPPOSITION, AND SEVERAL OTHER MMM DEPUTIES WHO ARE CONSIDERED CONFIDENTIAL

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"LEFTISTS," BEGAN THEIR CRITIQUE OF FINANCE MINISTER RINGADOO'S BUDGET SPEECH (PORT LOUIS 451). JUGNAUTH ARGUED THAT INSTEAD OF NARROWING THE GAP BETWEEN THE RICH AND THE POOR OF MAURITIUS, THE GOVERNMENT'S PROPOSALS WILL WIDEN IT. HE CRITICIZED THE LACK OF A POLICY REGARDING WAGE INCREASES AND THE ABSENCE OF STEPS DESIGNED TO PRESERVE THE PURCHASING POWER OF THE WORKERS. ACCORDING TO HIM, THE BUDGET SIMPLY PROTECTS THE CAPITALIST SYSTEM WHICH EXISTS IN THE COUNTRY AND THE GROSS PROFITS OF THE WEALTHY OWNERS OF INDUSTRIES. THE SPEECHES OF JUGNAUTH AND THE OTHER MMM DEPUTIES WERE SHORT ON ALTERNATIVE PROPOSALS, EXCEPT FOR SOME RATHER NAIVE IDEAS, SUCH AS REPLACING FOREIGN AID RECEIVED FROM THE WESTERN COUNTRIES WITH AID FROM THE THIRD WORLD, AND REDUCING THE COUNTRY'S DEPENDENCE ON FOREIGN INVESTMENT BY NATIONALIZING INDUSTRIES AND "REINVESTING" IN DOMAINS THAT BENEFIT THE MAJORITY OF THE POPULATION. IN GENERAL THE MMM LINE WAS THAT THE PRESENT GOVERNMENT'S POLICIES MAKE THE RICH RICHER AND THE POOR POORER. THE PRESS DESCRIBED JUGNAUTH'S SPEECH VARIOUSLY AS "TEPID," "CONCILIATORY," AND "SOPORIFIC."

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8. A HIGHLY
SPECULATIVE BUT INTERESTING ARTICLE IN THE MAY 5
INDEPENDENT L'EXPRESS CLAIMED THAT A "GOVERNMENT OF NATIONAL
UNITY" IS A NEAR-TERM PROSPECT. RAMGOOLAM AND BERENGER ARE
ALLEGEDLY IN AGREEMENT ON THE BROAD LINES OF A LABOR-MMM
COALITION, BUT THE MMM WANTS A COALITION WITHOUT INCLUDING DUVAL AND
HIS PMSD WHILE RAMGOOLAM WANTS TO INCLUDE ALL THREE PARTIES THAT
HAVE SEATS IN THE ASSEMBLY. ANOTHER OBSTACLE IS THE CHOICE
OF A SUCCESSOR TO RAMGOOLAM, WHO IS SUPPOSED TO RETIRE AFTER
FORMATION OF THE ALL-PARTY GOVERNMENT. L'EXPRESS THINKS
AGRICULTURE MINISTER BOOLELL HAS THE INSIDE TRACK, AS HE IS NOW
SUPPORTED BY THE "GHURBURRUN CLAN." MINISTER OF PLANNING
GHURBURRUN HAS BEEN FLIRTING WITH THE MMM, THE PAPER SAYS, WHICH
HAS ANNOYED RAMGOOLAM, WHO IS THREATENING TO CALL ELECTIONS IF
SUCH TACTICS ARE NOT ABANDONED. THE PRIVATE SECTOR FAVORS A
GOVERNMENT OF NATIONAL UNITY, AS IT WOULD END THE PRESENT
UNCERTAINTY AND INSTABILITY WHICH IS HURTING THE ECONOMY. THE
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WESTERN POWERS ALLEGEDLY VIEW THE GRAND COALITION IDEA WITH
APPREHENSION, BUT RAMGOOLAM IS KEEPING THEM INFORMED OF DEVELOP-
MENTS, THE PAPER CLAIMED. THE NEXT DAY THE MMM LEADERSHIP,
ALSO USING L'EXPRESS, "CATEGORICALLY DENIED" ANY THOUGHT OF
JOINING A GOVERNMENT OF "NATIONAL UNITY."

9. WHILE HOSTING THE WELL-ATTENDED AFRICAN DEVELOPMENT BANK
(AFDB) AND AFRICAN DEVELOPMENT FUND (AFDF) CONFERENCES
THIS PAST WEEK, MAURITIUS WAS ABLE TO ARRANGE A LOAN FROM AFDB
FOR RS. 39.5 MILLION TO FINANCE A SEWER PROJECT FOR THE
NORTHERN SUBURBS OF PORT LOUIS. THIS IS THE FOURTH AFDB PROJECT
IN MAURITIUS. THE BANK HAS THUS FAR MADE LOANS TOTALLING 17.6
MILLION DOLLARS TO THIS COUNTRY.

10. ALSO THIS WEEK THE MAURITIUS DEVELOPMENT BANK (DBM)
RECEIVED A LINE OF CREDIT WORTH 37.5 MILLION RUPEES FROM THE
INDUSTRIAL DEVELOPMENT BANK OF INDIA, ITS FIRST LOAN FROM THAT
BANK. THE CREDIT WILL FINANCE THE IMPORT OF INDUSTRIAL PRODUCTS
FROM INDIA -- 25 BUS CHASIS, WHICH ARE BADLY NEEDED, WILL BE
INCLUDED -- UNDER TERMS OF EIGHT YEARS WITH AN 8 PERCENT ANNUAL
INTEREST RATE. IT WAS ALSO ANNOUNCED THAT THE EUROPEAN INVEST-
MENT BANK HAS AGREED IN PRINCIPLE TO EXTEND A LINE OF CREDIT OF
23 MILLION RUPEES TO THE DBM, THE FIRST LOAN FROM THAT
INSTITUTION.

11. THE NEW KENYA AIRWAYS BEGAN SERVICE BETWEEN MAURITIUS AND
NAIROBI ON MAY 5, INHERITING THE ROUTE FORMERLY PROVIDED BY
EAST AFRICAN AIRWAYS, WITH THE EXCEPTION OF SERVICE TO
DAR ES SALAAM. THERE WILL BE ONE WEEKLY FLIGHT BETWEEN
KENYA AND MAURITIUS BY THIS AIRLINE, ON THURSDAYS.

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12. BECAUSE OF DAMAGE DONE BY THE "POU A POCHE BLANCHE" PEST (WHITE LICE), SUGAR INDUSTRY ESTIMATES FOR THE 1977 CROP HAVE BEEN REDUCED TO 650,000 TONS. THE EARLIER ESTIMATE WAS 720,000 TONS.
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Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
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